



CALPEEK

CALIFORNIA POLITICAL WEEK

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This is Calpeek's 44th issue of 2003 – meaning it's our last newsletter of the year. We'll be on vacation for the next 3 weeks, but will return to work shortly after X-Mas. Our first newsletter of 2004 will be dated Jan. 5th. Here's wishing all Calpeek readers a joyous holiday season and best wishes for 2004...



CALPEEK's 2003 REVIEW: WHO'S HOT, WHO'S NOT.

Editor's note: We'll end 2003 the way we end each year, with one of your favorite columns – *Who's Hot & Who's Not*. There is nothing objective about this column. Now sit back and enjoy – or scream and weep. One memorable quote from HBO's RKO 280: *All stars burn out. It's the flame that counts...*

● **Calif.'s Newest Star** – CA Gov. Arnold Schwarzenegger(R), who is finding that governing a State with 34 million people and the world's 6th largest economy is much tougher than reading a movie script...

● **The Power Behind the New Star** – It's Calif.'s new first lady, Maria Schriver(D). How much clout does she have? Lots...

● **Always a Star** – U.S. Sen. Dianne Feinstein(D). Had DiFi run in the recall, there's little doubt she'd have been elected Calif.'s 38th governor...

● **On the "A" List** – U.S. Sen. Barbara Boxer(D); U.S. Rep. Nancy Pelosi(D-SF); CA Treas. Phil Angelides(D)...

● **Off the "A" List** – L.A. Mayor Jim Hahn – or as the *A. Times* calls him, "The invisible mayor."...

● **A Star With His Foot In His Mouth** – AG Bill Lockyer(D)...

● **All Hat, No Cattle** – Lt. Gov. Cruz Bustamante(D). A total zero during the recall campaign...

● **Policy Wonk Stars** – Assemblymembers Keith Richman(R) and Joe Canciamilla(D)...

● **Spending Big to Buy Stardom** – U.S. Rep. Darrell Issa(R-Vista). His millions may have qualified the recall and sunk Gray Davis, but true stardom still eludes him...

● **Lots of Twinkle** – U.S. Rep. David Dreier(R-Covina). His star grew brighter as chair of Arnold's campaign...

● **Hot Tempered Star** – GOP U.S. Rep. Bill Thomas of Bakersfield, chair of the powerful Ways & Means Cmt. Extremely bright, but too abrasive...

● **Waiting In the Wings** – State Sen. Don Perata(D-Oakland); L.A. Councilman Bernard Parks; new Demo Assembly Speaker Fabian Nunez...

● **Best Bets for Stardom** – S.F. City Atty. Dennis Herrera and L.A. City Atty. Rocky Delgadillo...

● **Keep Your Eyes On** – Demo Controller Steve Westly; new Calif. Education Sec. Richard Riordan; former Assembly Speaker Bob Hertzberg(D)...

● **Looking for Political Stardom** – S.F. County Supes Gavin Newsom & Matt Gonzalez – running for mayor of S.F. We'll know next week...

● **Thinks She's Hot, But She's Not** – Sacto Mayor Heather Fargo. Our X-Mas book to Fargo: *Downtown Sports Arena Deal Making for Dummies*...

● **Political Toast** – Assemblyman Steve Samuelian(R-Fresno) will have lots of time to look for the Fresno office of the Farm Bureau because he's not seeking reelection...

● **Calif.'s New Grinch** – Finance Director Donna Arduin, Florida Gov. Jeb Bush's holiday gift to Calif...

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● **Bevis & Butt-head Award** – To the CA Teachers Assn. and director Rob Reiner for their flawed split roll property tax initiative which screws lots of renters...

● **Dumb & Dumber Award** – To cable tv's Adelphia, who terminated Week In Review host Bill Rosendahl after 16 years and more than 3,000 public affairs shows. L.A. cable tv won't be the same...

● **Gone But Not Forgotten** – Former Calif. Gov. Gray Davis. Stay tuned...

BATTLING OVER BONDS: IT'S DEMO CALIF. TREAS. PHIL ANGELIDES VS. GOP GOV. SCHWARZENEGGER.

Editor's note: Should the Calif. Legislature follow GOP Gov. Arnold Schwarzenegger's lead to borrow \$15 billion over the next 15-30 years OR should the Legislature listen to CA Treasurer Phil Angelides(D) who says this kind of deficit borrowing should be given the *deep six*? Or will the Legislature (CA State Senate) come up with a compromise plan that pleases everyone? Here's our analysis...

...As Calpeek hit deadline, Gov. Arnold was on the road, pitching his Miracle of Sacramento ideas (deficit bond borrowing, reforming workers comp and enacting a new spending cap). And Treasurer Phil Angelides was on the road too, saying that the \$15 billion deficit bond and the spending cap plan won't do a thing to address the continuing problem of budget shortfalls: *\$10-15 billion more* in red ink for the 2004-05 budget year!!!

...Angelides has formed Californians Against Mortgaging Our Children's Future and is now on the air in at least 5 media markets with a :30-sec. tv ad denouncing the governor's plan. The media buy is about \$350,000 and the spot was produced by media consultant Saul Shorr (Shorr, Johnson & Assoc. of Philadelphia). Not very much, but enough to get some good print coverage and begin a debate about what must be done in the next few days, weeks & months...

...GOPers were quick to denounce Angelides. Some called his tour political grandstanding because Angelides will undoubtedly run for governor in 2006. The Calif. Republican Party's headline on their one-page email hit was: Angelides Tax Tour Part II. And Angelides does not deny that taxes (raising income taxes on wealthiest) is part of his alternative, along with cuts in the State workforce. Is a tax hike possible? Don't count on it, given GOP opposition. The only way Angelides will get a tax hike plan before voters is if he goes the initiative route and he'd have to structure such a plan to get around Prop. 98 – otherwise 50% of all new revenue would go to education instead of 100% to deficit reduction...

...Is there any middle-ground solution? YES. There's a good chance the Legislature (State Senate adults) will go for a \$10-12 billion bond to be paid off over just 5 years. The Legislature voted for this plan 5 months ago. The cost would be significantly less. Angelides, while not wild about this either, would probably sign off on this proposal and Gov. Arnold would declare victory too. But even this type of smaller bond doesn't address next year's fiscal nightmare...

...What about spending caps and other budget reforms? There are 3 competing plans: Assemblyman John Campbell(R-Orange Co.); Rick Keene(R-Chico); and one by Assemblymembers Keith Richman(R-Granada Hills) & Joe Canciamilla(D-Martinez). Our sources say that Gov. Arnold is leaning toward the Keene spending cap plan – and this has got CTA on the warpath because it takes a whack at Prop. 98 (education funding). The Richman/Canciamilla bill does not go after Prop. 98 (or any of the other voter approved initiatives which bypassed the Gann Spending Limit law). Our sources say support for the Richman plan (ACA 1 – 5X) is on the upswing. Best guess is that the Senate will take elements of Keene + Richman and put them into one package. Will it be done in time? Our guess: YES. Stay tuned...

S.F. MUNI RUNOFF: MAYOR'S CONTEST GETS VERY NASTY. INSIDERS SAY NEWSOM HAS SLIGHT EDGE.

Editor's note: It's down to the last few days in this Dec. 9th runoff to replace Willie Brown as S.F. Mayor. The campaigning has gotten nasty – and very partisan. Demos are pulling out all the stops for S.F. Co. Sup. Gavin Newsom because an upset by S.F. Co. Sup. Matt Gonzalez(Green Party) would be a huge embarrassment to Calif. Demos. Here's our final update & analysis...

...The pace of this mayor's election has become fast and furious. 3rd place finisher Angela Alioto surprised many of her supporters by endorsing Newsom. If Newsom wins, then Alioto would get a major role in the city government. Former Mayor Art Agnos endorsed Gonzalez – because of Newsom's Prop. N initiative to cut cash payments to the homeless. Agnos is the author of the current homeless program (or problem – depending on one's point of view). Prop. N has again resurfaced as an issue and this probably helps Newsom...

...The polling remains split. The latest survey by David Binder Research still has Newsom leading, 49% to 41%, with 10% undecided. This is down from Binder's earlier poll showing Newsom up 50% to 36%. The polling for KPIX-TV by Survey USA shows Gonzalez leading New-

som 52% to 45%, with 3% undecided. And the debate continues over Survey USA's polling methods, which are called **CRAP** polls. CRAP stands for computerized response audience polling. The basic problem with the CRAP telephone punch button survey is one really does not know who is punching the buttons...

...Regardless, most insiders do believe Newsom's campaign has been somewhat flat the past 5-7 days, but he's gotten a big boost from former VP Al Gore's 12/2/03 campaign visit. Lots of tv & radio coverage, but for some reason the *S.F. Chron* didn't cover. Gore's visit is just one more reminder to S.F. Demos that it was the Green Party's Ralph Nader who helped elect GOP Pres. George W. Bush in 2000. Calif. Demo Party Chair Art Torres received a rude early wake up call last November when the Green Party cut deeply into the Demo base in Statewide contests, especially in S.F. That's why the CDP is running phone banks and mailing to Demos...

...FYI: S.F. Mayor Willie Brown's recent comments that Gonzalez is a chauvinist and has tried to keep Blacks from serving in S.F. City Hall may have backfired. It just reminded voters that Brown is a Newsom supporter. Brown isn't very popular in S.F. these days. Stay tuned...

CALPEEK'S NEW CAMPAIGN DIRECTORY ON SALE

Calpeek's 2003-04 Directory of Campaign Consultants is now on sale to subscribers only. The 60-page Directory contains more than 300 listings of consultants, campaign managers, pollsters, fundraisers, election law attorneys, FPPC-FEC specialists and slates makers. The cost is a low \$30. Checks only, no credit cards and absolutely no invoicing. Send checks to Calpeek @ P.O. Box 1468, Beverly Hills, CA 90213. Be sure to include either a businesscard or a short note with the name of the person who is receive the Directory. We'll be sending the Directory via 1st class mail. Non-subscribers should contact Calpeek (310)659-0205 to inquire about a subscription...

CAMPAIGN 2004: UPDATE ON LEGISLATIVE RACES.

Editor's note: Here is *Part XXX* in our continuing series updates about key U.S. House and CA Legislative primary contests. Filing closes on Dec. 5th and our 1st issue of 2004 will summarize which legislators and congress members have primary challenges...

☒ **3rd CD Update** – In this open Sacto-Northern Calif. CD now represented by retiring U.S. Rep. Doug Ose(R), State Sen. Rico Oller(R-San Andreas) has won two key organizational endorsements: the Howard Jarvis Taxpayers Assn.(HJTA) and the CA Republican Assembly(CRA); the State's largest grassroots GOP organization. Oller is getting lots of positive PR spin these days as the author of SB 1XXX – the bill to repeal SB 60 – drivers licenses for non-citizens. Oller's key rival, former AG Dan Lungren(R), has picked up endorsements from U.S. Rep. Dun-

can Hunter(R-San Diego), 3 Strikes author Mike Reynolds of Fresno, Amador Co. Sheriff Michael F. Prizmich and U.S. Rep. Randy Cunningham(R-San Diego). FYI: a recent column by Bob Novak suggests that Oller is the favorite in this primary battle...

☒ **Political Short Takes** – L.A. Co. AFL-CIO COPE has endorsed 47th AD Demo candidate Karen Bass and 50th AD Demo candidate Hector De La Torre; 50th AD Demo candidate Hector Chacon has been endorsed by Demo State Sen. Gloria Romero; 63rd AD GOP candidate Elia Pirozzi has been endorsed by the San Bernardino City Firefighters Assn. + Loma Linda Firefighters; 70th AD GOP candidate Don Wagner has launched his website: www.wagnerforassembly.org.; 73rd AD GOP candidate and O.C. Sup. Tom Wilson has been endorsed by L.A. Co. Sup. Mike Antonovich; 70th AD GOP candidate Cristi Cristich reports raising more than \$60,000 at a fundraiser hosted by Anaheim Mayor and former Speaker Curt Pringle; 9th AD Demo candidate and Sacto Councilwoman Lauren Hammond has been endorsed by Assembly Speaker Herb Wesson(D); 69th AD Demo candidate and Santa Ana Councilwoman Claudia Alvarez has been endorsed by the new Assembly Speaker Fabian Nunez; 68th AD GOP candidate and Garden Grove Councilman Van Tran has been endorsed by former CA Treas. Matt Fong; 35th SD GOP candidate and Assemblyman Ken Maddox has been endorsed by the Orange Co. Professional Firefighters Assn. Stay tuned...

CAMPAIGN 2004: CALIFORNIA INITIATIVE UPDATE.

Editor's note: Here is another brief update about ballot measures for the 2004 primary and general election...

● **Referendum on SB 2 – Californians Against Govt. Run Healthcare**(CAGRHR) has submitted 620,000 signatures to place a referendum on the Mar. 2, 2004 primary ballot to repeal SB 2 by Senate Pres. John Burton(D-SF). CAGRHR sources call SB 2 *The \$7 billion health care tax*. This will be the only referendum to qualify for the March ballot. FYI: Arfo Political Consultants was the lead firm on the petition drive for this referendum...

◆ **Referendum on SB 60** – Backers of this referendum to repeal SB 60 (to permit non-citizens to obtain Calif. drivers licenses) have dropped their signature gathering effort in light of the CA Legislature's repeal of this law...

◆ **Prop. 55 Update** – This is the \$12 billion bond for building more schools. Some legislators and even Gov. Arnold Schwarzenegger's office are exploring the idea of pulling this bond from the Mar. 2nd ballot and instead put-

ting it on the November 2004 ballot. SPI Jack O'Connell is opposed to the delay. However, the author of Prop. 55, former Assembly Speaker Bob Hertzberg(D) told *Calpeek* he favors postponing a vote until November. The big problem if Prop. 55 is on the March ballot is that voters might choke at the sight of **\$23-27 billion** in bonds. Remember, Gov. Arnold wants his multi-billion deficit bond on the March ballot too...

◆ **Campaign Finance. Oil Severance Tax. Initiative Statute** is the official title of this proposal by Arianna Huffington. It would repeal the 2000 campaign contribution limits approved by voters and enacts lower contribution limits for all state office candidates except self-funding candidates. It would provide state funds for all those candidates who agree to the limits. Huffington must collect 373,816 signatures by Apr. 16 to qualify. Info at (310) 576-1233...

◆ **Public Benefits. Driver's License. Eligibility. Immigration Status and Identity Verification. Initiative Constitutional Amendment** is the official title of the proposal by Prop. 187 co-author Ron Prince of Orange Co. (714)899-9631. Among other things, it requires State & local officials to report immigration law violations to the Feds – failure to report is a misdemeanor. Prince has until Apr. 29 to collect 598,105 valid signatures...

◆ **Workers Comp Initiative** – Ted Costa's People's Advocate, Inc. and the Indep. Business Coalition, Inc. has submitted a workers comp initiative (*the Calif. Jobs Protection Act*) to the AG's office for title & summary. It would go much further than the CA Legislature's recent "fix." FYI: Gov. Arnold's team may be planning their own workers comp initiative, *Calpeek* sources say...

◆ **Improving Classroom Education Act** – This is the CTA and Rob Reiner plan to hike property taxes on commercial property by .55% and it has been submitted to the AG's office for title & summary...

◆ **Slots at Racetracks & Card Clubs** – Backers of a plan to permit slot machines at 5 Calif. racetracks and 11 non-Indian card clubs will be submitting an initiative to the AG's office soon for title & summary. About \$1 billion in revenue from the slots would go to law enforcement, fire services and schools. If this initiative were to qualify (and it would because there's serious \$\$\$ behind this effort), would the Indian tribes who own gaming casinos put up a ton of \$\$\$ to oppose this measure??? Stay tuned...

CALPEEK MAKES AN EXCELLENT HOLIDAY GIFT

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CALPEEK's NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● A sad note: Clark Kerr, former UC Berkeley chancellor and 12th president of the UC system died Dec. 1 at age 92, of complications from a fall. He was considered one of the country's top leaders in higher education. R.I.P...

● After taking time off to serve as transition press secretary to Gov. Schwarzenegger, Karen Hanretty returns to the CA Republican Party as communications director...

● Consultants Max Rexroad and Tom Ross have formed Meridian Pacific Inc., a p/a & campaign consulting firm. 1755 Creekside Oaks Dr., #150, Sacramento, CA 95833 – (916)648-1222...

● The new president of PORAC is Ron Cottingham. He replaces Clancy F. Faria, who did not seek reelection this year...

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● **America's Pro-Israel lobby (AIPAC)**, seeks professionals for the Los Angeles office. Responsibilities include grassroots organizing, volunteer management and congressional outreach. Comprehensive benefits and competitive salary. To apply, please fax your resume and cover letter to: (323)937-8949...

● **Account Executive Position** – Cerrell Associates is seeking an individual with 3 or more years experience. Strong writing skills a must. Proven track record in managing client accounts, public affairs counseling and pitching news media desired. See our website at www.cerrell.com. Fax resume attn: Steve Bullock (323)466-8653 or email to steve@cerrell.com...

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